



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2011 Biennium

<b>Bill #</b>	SB0119	<b>Title:</b>	Medicaid buy-in option for individuals with disabilities
<b>Primary Sponsor:</b>	Esp, John	<b>Status:</b>	As Amended in House Committee

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|--|--|--|
| <input type="checkbox"/> Significant Local Gov Impact                | <input type="checkbox"/> Needs to be included in HB 2  | <input checked="" type="checkbox"/> Technical Concerns   |
| <input checked="" type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<b>Expenditures:</b>				
General Fund	\$25,376	\$73,800	\$121,402	\$180,287
Federal Special Revenue	\$82,285	\$174,184	\$246,371	\$365,871
<b>Revenue:</b>				
Federal Special Revenue	\$82,285	\$174,184	\$246,371	\$365,871
<b>Net Impact-General Fund Balance</b>	<u>(\$25,376)</u>	<u>(\$73,800)</u>	<u>(\$121,402)</u>	<u>(\$180,287)</u>

### Description of fiscal impact:

This proposal allows individuals with disabilities who meet the eligibility requirements to participate in the Medicaid program. Participants may be required to cost share.

### FISCAL ANALYSIS

#### Assumptions:

1. This is in the Executive Budget as a New Proposal. It is decision package 11043- Medicaid for Worker's with Disabilities in the Health Resources Division.
2. Participant numbers are derived from a study of unearned income limits in Montana. This compares other states' information on eligible participants and growth rates. Medicaid Disabled eligible participants enrolled as of July 1, 2008 were 15,104.
3. The estimated average of those who would participate at the start of the program is 0.5 percent (15,104 x .0050 = 76). For FY 2010 the participant numbers are ramped up by 3.85 percent per quarter. See table below.

4. The annual increase would change to 98 percent in FY 2011 and to 35 percent in FY 2012 and FY 2013. This would reach the estimated potential growth of 424 participants by the end of year five.
5. The monthly premium amounts are based on Medicare Part B. The average annual premium increase is 9.93 percent.
6. Total Benefits is as follows:

Fiscal Year	Number of participants per month	Estimated % increase in Cost		Total Benefits	Fiscal Year Total
		Per Participant/ calendar year	Cost per Participant		
2010 July 1 - Sep 30	76		\$105.99	\$24,165	
2010 Oct 1 - Dec 30	79		\$105.99	\$25,095	
2010 Jan 1- Mar 30	82	9.93%	\$116.50	\$28,649	
2010 Apr 1- June 30	85		\$116.50	\$29,752	<u>\$107,661</u>
2011 July 1 - Dec. 31	169		\$116.50	\$118,131	
2011 Jan 1 - June 30	169	9.93%	\$128.07	\$129,853	<u>\$247,984</u>
2012 July 1 - Dec. 31	228		\$128.07	\$175,186	
2012 Jan 1 - June 30	228	9.93%	\$140.78	\$192,587	<u>\$367,773</u>
2013 July 1 - Dec. 31	307		\$140.78	\$260,161	
2013 Jan 1 - June 30	307	9.93%	\$154.75	\$285,996	<u>\$546,158</u>

7. The benefit funding is based on the Federal Medical Assistance Percentage (FMAP), in the following amounts:

Fiscal Year	State %	State Share	Federal %	Federal Share	Total Funds
FY 2010	23.57%	\$25,376	76.43%	\$82,285	\$107,661
FY 2011	29.76%	\$73,800	70.24%	\$174,184	\$247,984
FY 2012	33.01%	\$121,402	66.99%	\$246,371	\$367,773
FY 2013	33.01%	\$180,287	66.99%	\$365,871	\$546,158

	<b><u>FY 2010 Difference</u></b>	<b><u>FY 2011 Difference</u></b>	<b><u>FY 2012 Difference</u></b>	<b><u>FY 2013 Difference</u></b>
<b><u>Fiscal Impact:</u></b>				
<b><u>Expenditures:</u></b>				
Benefits	\$107,661	\$247,984	\$367,773	\$546,158
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$25,376	\$73,800	\$121,402	\$180,287
Federal Special Revenue (03)	\$82,285	\$174,184	\$246,371	\$365,871
<b>TOTAL Funding of Exp.</b>	<b>\$107,661</b>	<b>\$247,984</b>	<b>\$367,773</b>	<b>\$546,158</b>
<b><u>Revenues:</u></b>				
Federal Special Revenue (03)	\$82,285	\$174,184	\$246,371	\$365,871
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	(\$25,376)	(\$73,800)	(\$121,402)	(\$180,287)
Federal Special Revenue (03)	\$0	\$0	\$0	\$0

**Technical Notes:**

1. This proposal is in the Executive Budget as New Proposal 11043 - Medicaid for Workers with Disabilities in the Health Resources Division.
2. This fiscal note is based on the study of "Unearned Income Limit in a Montana Medicaid Buy-In Program" by Allen Jensen, March 11, 2008.
3. No FTE are provided to determine eligibility for the additional Medicaid recipients, who will be eligible as a result of this bill. The additional caseload for existing OPA eligibility workers could lead to errors and delays in processing, which could also subject the department to financial penalties. If the state error rate exceeds 3%, the Medicaid FMAP rate will be reduced by 1% for every 1% the state error rate exceeds 3%.

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*Sponsor's Initials*\_\_\_\_\_  
*Date*\_\_\_\_\_  
*Budget Director's Initials*\_\_\_\_\_  
*Date*